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MOTION PICTURE ASSOCIATION
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SEP 6 2000

September 6, 2000

FRITZ E. ATTAWAY
SR. VP GOVERNMENT RELATIONS
WASHINGTON GENERAL COUNSEL

Ms. Magalie R. Salas
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Written *Ex Parte* Presentations; In the Matter of Compatibility Between Cable Systems and Consumer Electronics Equipment; PP Docket No. 00-67; In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices; CS Docket No: 97-80 /

Dear Ms. Salas:

This is to notify the Office of the Secretary that on September 6, 2000, on behalf of the Motion Picture Association of America, Fritz Attaway, Executive Vice President and Washington General Counsel, delivered the attached written *ex parte* presentation to: Chairman Kennard, Commissioner Furchtgott-Roth, Commissioner Ness, Commissioner Powell, and Commissioner Tristani; William J. Friedman IV, Senior Legal Advisor to Commissioner Tristani; David Goodfriend Legal Advisor to Commissioner Ness; Paul Jackson, Special Assistant to Commissioner Powell; Karen Edwards Onyeije, Legal Advisor to Chairman Kennard; Mark Schneider, Senior Legal Advisor to Commissioner Ness; and Helgi Walker, Senior Legal Advisor to Commissioner Furchtgott-Roth; Deborah Lathen, William Johnson, Deborah Klein, Steve Broeckaert and Thomas Horan of the Cable Services Bureau; Robert Pepper, Amy Nathan and Jonathan Levy of the Office of Plans & Policy, and Dale Hatfield, Alan Stillwell and Bruce Franca of the Office of Engineering & Technology. MPAA's written *ex parte* presentation responds to the September 5, 2000 *ex parte* letter filed by Circuit City Stores, Inc.

In accordance with Section 1.1206 of the Federal Communications Commission rules, this letter and the written presentation is being provided to your office. A copy of this notice has been delivered to the parties listed above.

Sincerely,

No. of Copies rec'd
List A B C D E

Ms. Magalie R. Salas
Page 2
September 6, 2000

cc: Chairman Kennard
Commissioner Furchtgott-Roth
Commissioner Ness
Commissioner Powell
Commissioner Tristani
W. Friedman
D. Goodfriend
P. Jackson
K. Onyeije
M. Schneider
H. Walker
D. Lathen
W. Johnson
D. Klein
S. Broeckeaert
T. Horan
R. Pepper
A. Nathan
J. Levy
D. Hatfield
A. Stillwell
B. Franca
N. Goldberg, National Cable Television Association
R. Schwartz, McDermott, Will & Emery

THE SIMPLE TRUTH: COPY MANAGEMENT CAPABILITY WILL BENEFIT CONSUMERS

In comments filed by MPAA on September 17, 1998, and in every submission on the subject of copy management since then, MPAA has asserted a simple, self-evident truth: Copy management capability will serve the interests of consumers. Despite countless submissions asserting the contrary since then by the consumer electronics industry and its surrogate, the Home Recording Rights Coalition, this truth stands, unsullied.

The reason can be summarized in a few simple sentences.

Content owners want their product to be made available to consumers. Contrary to what the HRRRC would have us believe, content owners do not invest millions of dollars in production costs in order to lock up the finished product and keep it away from consumers. Content owners are in the business of enticing consumers to “consume” their product. Content owners are every bit as sensitive to the needs of consumers as consumer electronics companies.

High value content, especially new content in the early stages of its distribution sequence, must be kept secure against unauthorized reproduction and retransmission. This basic fact of the marketplace has taken on even more importance in the digital environment with “perfect” serial copying and Internet transmission to the world. A distribution medium that cannot provide security will be at a serious competitive disadvantage vis-à-vis media that can provide security.

In order for consumers to receive high value content, there must be a secure distribution path available to them. This is not to say that all content traveling through the distribution system must be subject to copy and retransmission restrictions. As MPAA has stated repeatedly, there are strong business and marketplace reasons to permit some copying, particularly when time-shifting is an issue.

If the DFAST license does not include copy management obligations, consumers who purchase retail devices without copy management will not receive secure content. There is no middle ground here, or gray area. Either devices will respond to copy management instructions, or they won't. If they won't, they cannot receive high value, copy protected content. This is why the DFAST license must include copy management requirements. Without them, consumers will be adrift in a sea of uncertainty as to whether they will be able to receive high value content.

THE INESCAPABLE CONCLUSION: COPY MANAGEMENT CAPABILITY WILL BENEFIT CONSUMERS